

SB001_L.005

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on State, Veterans, & Military Affairs.SB13-001 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. Short title. This act shall be known and may be
4 cited as the "Colorado Working Families Economic Opportunity Act of
5 2013".

6 SECTION 2. In Colorado Revised Statutes, 39-22-123, add (6)
7 as follows:

8 39-22-123. Earned income tax credit - refund of state excess
9 revenues for fiscal years commencing on or after July 1, 1998. (6) NO
10 CREDIT IS ALLOWED UNDER THIS SECTION FOR AN INCOME TAX YEAR FOR
11 WHICH A CREDIT IS ALLOWED UNDER SECTION 39-22-123.5.

12 SECTION 3. In Colorado Revised Statutes, add 39-22-123.5 as
13 follows:

14 39-22-123.5. Earned income tax credit - not a refund of excess
15 state revenues - trigger - legislative declaration. (1) THE GENERAL
16 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

17 (a) THE FEDERAL EARNED INCOME TAX CREDIT IS A REFUNDABLE
18 TAX CREDIT FOR LOW- AND MIDDLE-INCOME WORKING INDIVIDUALS AND
19 FAMILIES WHOSE EARNINGS ARE BELOW AN INCOME THRESHOLD;

20 (b) THE AMOUNT OF THE CREDIT INCREASES WITH INCOME UNTIL
21 THE CREDIT REACHES A MAXIMUM LEVEL AND THEN PHASES OUT, AND THIS
22 STRUCTURE CREATES AN INCENTIVE FOR PEOPLE TO WORK AND EARN
23 MORE INCOME;

24 (c) SINCE ITS ESTABLISHMENT IN 1975, THE CREDIT HAS INCREASED
25 FAMILY INCOME, REDUCED CHILD POVERTY, AND PROMOTED EMPLOYMENT
26 BY SUPPLEMENTING THE EARNINGS OF LOW-WAGE WORKERS, INCLUDING
27 MILITARY FAMILIES;

28 (d) THE CREDIT HAS A POSITIVE IMPACT ON THE EDUCATION AND
29 HEALTH OF CHILDREN LIVING IN POVERTY;

30 (e) THE CREDIT HAS A POSITIVE ECONOMIC IMPACT ON LOCAL
31 ECONOMIES AND BUSINESSES BECAUSE IT PUTS MORE MONEY IN THE
32 HANDS OF LOW- AND MIDDLE-INCOME WORKING PEOPLE WHO SPEND THE
33 MONEY ON IMMEDIATE NEEDS, SUCH AS GROCERIES, SCHOOL SUPPLIES, CAR
34 REPAIRS, RENT, AND HEALTH CARE;

35 (f) THE COLORADO EARNED INCOME TAX CREDIT, WHICH IS
36 CURRENTLY TEN PERCENT OF THE FEDERAL EARNED INCOME TAX CREDIT,
37 IS A MECHANISM TO REFUND EXCESS STATE REVENUES AS REQUIRED BY

1 SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION;

2 (g) THE COLORADO EARNED INCOME TAX CREDIT HAS NOT BEEN
3 IN EFFECT SINCE 2001 BECAUSE THE REFUND HAS NOT BEEN TRIGGERED;
4 AND

5 (h) NOW, THEREFORE, IT IS THE INTENT OF THE GENERAL
6 ASSEMBLY TO ESTABLISH A PERMANENT AND REFUNDABLE STATE EARNED
7 INCOME TAX CREDIT FOR ELIGIBLE COLORADO TAXPAYERS, WHICH IS
8 EQUAL TO A PERCENTAGE OF THE FEDERAL EARNED INCOME TAX CREDIT.
9 THE INTENDED PURPOSE OF THIS CREDIT IS TO HELP INDIVIDUALS AND
10 FAMILIES ACHIEVE GREATER FINANCIAL SECURITY AND TO HELP
11 COLORADO'S ECONOMY.

12 (2) FOR AN INCOME TAX YEAR SPECIFIED IN PARAGRAPH (a) OF
13 SUBSECTION (3) OF THIS SECTION, A RESIDENT INDIVIDUAL WHO CLAIMS AN
14 EARNED INCOME TAX CREDIT ON THE INDIVIDUAL'S FEDERAL TAX RETURN
15 IS ALLOWED AN EARNED INCOME TAX CREDIT AGAINST THE TAXES DUE
16 UNDER THIS ARTICLE. THE AMOUNT OF THE CREDIT IS A PORTION OF THE
17 FEDERAL CREDIT CLAIMED ON THE RESIDENT INDIVIDUAL'S FEDERAL TAX
18 RETURN THAT DEPENDS ON THE YEAR IN WHICH IT IS CLAIMED. THE CREDIT
19 IS EQUAL TO SEVEN PERCENT OF THE FEDERAL CREDIT FOR THE FIRST
20 INCOME TAX YEAR THAT THE CREDIT IS ALLOWED AS A RESULT OF THE
21 OPERATION OF SUBSECTION (3) OF THIS SECTION, EIGHT AND ONE-HALF
22 PERCENT FOR THE NEXT INCOME TAX YEAR, AND TEN PERCENT OF THE
23 FEDERAL CREDIT FOR ALL INCOME TAX YEARS THEREAFTER.

24 (3) (a) IF THE ESTIMATE OF GROSS GENERAL FUND REVENUE FOR
25 THE FISCAL YEAR 2013-14, OR THE NEXT TWO FISCAL YEARS THEREAFTER,
26 INCREASES BY ONE HUNDRED MILLION DOLLARS FROM THE MARCH
27 ESTIMATE THAT PRECEDES THE FISCAL YEAR TO ANY OF THE NEXT FOUR
28 QUARTERLY ESTIMATES AFTER THE MARCH ESTIMATE, THE TAX CREDIT
29 ALLOWED UNDER THIS SECTION MAY BE CLAIMED FOR ANY INCOME TAX
30 YEAR COMMENCING ON OR AFTER JANUARY 1 OF THE FISCAL YEAR FOR
31 WHICH THE ESTIMATE INCREASED.

32 (b) FOR PURPOSES OF PARAGRAPH (a) OF THIS SUBSECTION (3), ALL
33 OF THE ESTIMATES OF GROSS GENERAL FUND REVENUE FOR A GIVEN FISCAL
34 YEAR ARE SOLELY FROM LEGISLATIVE COUNCIL STAFF OR THE OFFICE OF
35 STATE PLANNING AND BUDGETING, WHICHEVER AGENCY HAS THE LOWER
36 MARCH ESTIMATE FOR THE FISCAL YEAR.

37 (c) IF THE ESTIMATE OF GROSS GENERAL FUND REVENUE HAS
38 INCREASED ENOUGH TO TRIGGER THE TAX CREDIT, LEGISLATIVE COUNCIL
39 STAFF OR THE OFFICE OF STATE PLANNING AND BUDGETING, DEPENDING ON
40 PARAGRAPH (b) OF THIS SUBSECTION (3), SHALL CERTIFY SUCH FACT IN THE
41 APPLICABLE QUARTERLY ESTIMATE.

1 (4) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
2 THAT EXCEEDS THE RESIDENT INDIVIDUAL'S INCOME TAXES DUE IS
3 REFUNDED TO THE INDIVIDUAL.

4 (5) IN THE CASE OF A PART-YEAR RESIDENT, THE CREDIT ALLOWED
5 UNDER THIS SECTION IS APPORTIONED IN THE RATIO DETERMINED UNDER
6 SECTION 39-22-110 (1).

7 (6) THE CREDIT ALLOWED UNDER THIS SECTION IS NOT
8 CONSIDERED TO BE INCOME OR RESOURCES FOR THE PURPOSE OF
9 DETERMINING ELIGIBILITY FOR THE PAYMENT OF PUBLIC ASSISTANCE
10 BENEFITS AND MEDICAL ASSISTANCE BENEFITS AUTHORIZED UNDER STATE
11 LAW OR FOR A PAYMENT MADE UNDER ANY OTHER PUBLICLY FUNDED
12 PROGRAMS.

13 **SECTION 4.** In Colorado Revised Statutes, add 39-22-129 as
14 follows:

15 **39-22-129. Child tax credit - trigger - legislative declaration -**
16 **definitions.** (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND
17 DECLARES THAT:

18 (I) THE FEDERAL CHILD TAX CREDIT, WHICH INCLUDES THE
19 REFUNDABLE PORTION OF THE CREDIT COMMONLY KNOWN AS THE
20 ADDITIONAL CHILD TAX CREDIT, SUPPORTS LOW- AND MIDDLE-INCOME
21 WORKING FAMILIES WHOSE EARNINGS ARE BELOW AN INCOME THRESHOLD
22 AND WHO HAVE CHILDREN UNDER SEVENTEEN YEARS OF AGE;

23 (II) SINCE ITS ESTABLISHMENT AT THE FEDERAL LEVEL IN 1997,
24 THE CREDIT HAS INCREASED FAMILY INCOME, REDUCED CHILD POVERTY
25 AMONG FAMILIES WITH CHILDREN, AND SUPPORTED LOCAL ECONOMIES;
26 AND

27 (III) THE CREDIT HAS A POSITIVE IMPACT ON THE EARLY
28 CHILDHOOD DEVELOPMENT AND HEALTH OF CHILDREN WHOSE FAMILIES
29 GAIN INCOME FROM THE CREDIT.

30 (b) NOW, THEREFORE, IT IS THE INTENT OF THE GENERAL
31 ASSEMBLY TO ESTABLISH A PERMANENT AND REFUNDABLE STATE CHILD
32 TAX CREDIT FOR ELIGIBLE COLORADO TAXPAYERS, WHICH IS EQUAL TO A
33 PERCENTAGE OF THE FEDERAL CREDIT BASED ON A FAMILY'S ADJUSTED
34 GROSS INCOME. THE INTENDED PURPOSE OF THIS CREDIT IS TO SUPPORT
35 COLORADO WORKING FAMILIES WITH YOUNG CHILDREN, REDUCE CHILD
36 POVERTY, AND TO HELP COLORADO'S ECONOMY.

37 (2) AS USED IN THIS SECTION:

38 (a) "FEDERAL CHILD TAX CREDIT" MEANS THE CHILD TAX CREDIT
39 ALLOWED UNDER SECTION 24 OF THE INTERNAL REVENUE CODE, OR ANY
40 SUCCESSOR SECTION, AND INCLUDES THE REFUNDABLE PORTION OF THE
41 TAX CREDIT, WHICH PORTION IS REFERRED TO AS THE ADDITIONAL CHILD

1 CREDIT.

2 (b) "ELIGIBLE CHILD" MEANS A QUALIFYING CHILD FOR PURPOSES
3 OF THE FEDERAL CHILD TAX CREDIT WHO IS UNDER SIX YEARS OF AGE AT
4 THE END OF THE TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED.

5 (3) (a) FOR AN INCOME TAX YEAR SPECIFIED IN PARAGRAPH (a) OF
6 SUBSECTION (4) OF THIS SECTION, A RESIDENT INDIVIDUAL WHO CLAIMS A
7 FEDERAL CHILD TAX CREDIT FOR AN ELIGIBLE CHILD ON THE INDIVIDUAL'S
8 FEDERAL TAX RETURN IS ALLOWED A CHILD TAX CREDIT AGAINST THE
9 INCOME TAXES DUE UNDER THIS ARTICLE.

10 (b) (I) FOR A RESIDENT INDIVIDUAL WHO FILES A SINGLE RETURN,
11 THE AMOUNT OF THE CREDIT IS EQUAL TO:

12 (A) THIRTY PERCENT OF THE FEDERAL CHILD TAX CREDIT THAT
13 THE RESIDENT INDIVIDUAL CLAIMED ON HIS OR HER FEDERAL TAX RETURN
14 FOR EACH ELIGIBLE CHILD, IF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS
15 INCOME IS TWENTY-FIVE THOUSAND DOLLARS OR LESS;

16 (B) FIFTEEN PERCENT OF THE FEDERAL CHILD TAX CREDIT THAT
17 THE RESIDENT INDIVIDUAL CLAIMED ON HIS OR HER FEDERAL TAX RETURN
18 FOR EACH ELIGIBLE CHILD, IF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS
19 INCOME IS GREATER THAN TWENTY-FIVE THOUSAND DOLLARS BUT LESS
20 THAN OR EQUAL TO FIFTY THOUSAND DOLLARS; AND

21 (C) FIVE PERCENT OF THE FEDERAL CHILD TAX CREDIT THAT THE
22 RESIDENT INDIVIDUAL CLAIMED ON HIS OR HER FEDERAL TAX RETURN FOR
23 EACH ELIGIBLE CHILD, IF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS
24 INCOME IS GREATER THAN FIFTY THOUSAND DOLLARS BUT LESS THAN OR
25 EQUAL TO SEVENTY-FIVE THOUSAND DOLLARS.

26 (II) A RESIDENT INDIVIDUAL WHO FILES A SINGLE RETURN AND
27 WHOSE FEDERAL ADJUSTED GROSS INCOME IS GREATER THAN
28 SEVENTY-FIVE THOUSAND DOLLARS IS NOT ALLOWED A CREDIT UNDER
29 THIS SECTION.

30 (c) (I) FOR TWO RESIDENT INDIVIDUALS WHO FILE A JOINT RETURN,
31 THE AMOUNT OF THE CREDIT IS EQUAL TO:

32 (A) THIRTY PERCENT OF THE FEDERAL CHILD TAX CREDIT THAT
33 THE RESIDENT INDIVIDUALS CLAIMED ON THEIR FEDERAL TAX RETURN FOR
34 EACH ELIGIBLE CHILD, IF THE INDIVIDUALS' FEDERAL ADJUSTED GROSS
35 INCOME IS THIRTY-FIVE THOUSAND DOLLARS OR LESS;

36 (B) FIFTEEN PERCENT OF THE FEDERAL CHILD TAX CREDIT THAT
37 THE RESIDENT INDIVIDUALS CLAIMED ON THEIR FEDERAL TAX RETURN FOR
38 EACH ELIGIBLE CHILD, IF THE INDIVIDUALS' FEDERAL ADJUSTED GROSS
39 INCOME IS GREATER THAN THIRTY-FIVE THOUSAND DOLLARS BUT LESS
40 THAN OR EQUAL TO SIXTY THOUSAND DOLLARS; AND

41 (C) FIVE PERCENT OF THE FEDERAL CHILD TAX CREDIT THAT THE

1 RESIDENT INDIVIDUALS CLAIMED ON THEIR FEDERAL TAX RETURN FOR
2 EACH ELIGIBLE CHILD, IF THE INDIVIDUALS' FEDERAL ADJUSTED GROSS
3 INCOME IS GREATER THAN SIXTY THOUSAND DOLLARS BUT LESS THAN OR
4 EQUAL TO EIGHTY-FIVE THOUSAND DOLLARS.

5 (II) TWO RESIDENT INDIVIDUALS WHO FILE A JOINT RETURN AND
6 WHOSE FEDERAL ADJUSTED GROSS INCOME IS GREATER THAN EIGHTY-FIVE
7 THOUSAND DOLLARS ARE NOT ALLOWED A CREDIT UNDER THIS SECTION.

8 (4) (a) IF THE ESTIMATE OF GROSS GENERAL FUND REVENUE FOR
9 THE FISCAL YEAR 2013-14, OR THE NEXT TWO FISCAL YEARS THEREAFTER,
10 INCREASES BY ONE HUNDRED MILLION DOLLARS FROM THE MARCH
11 ESTIMATE THAT PRECEDES THE FISCAL YEAR TO ANY OF THE NEXT FOUR
12 QUARTERLY ESTIMATES AFTER THE MARCH ESTIMATE, THE TAX CREDIT
13 ALLOWED UNDER THIS SECTION MAY BE CLAIMED FOR ANY INCOME TAX
14 YEAR COMMENCING ON OR AFTER JANUARY 1 OF THE FISCAL YEAR FOR
15 WHICH THE ESTIMATE INCREASED.

16 (b) FOR PURPOSES OF PARAGRAPH (a) OF THIS SUBSECTION (4), ALL
17 OF THE ESTIMATES OF GROSS GENERAL FUND REVENUE FOR A GIVEN FISCAL
18 YEAR ARE SOLELY FROM LEGISLATIVE COUNCIL STAFF OR THE OFFICE OF
19 STATE PLANNING AND BUDGETING, WHICHEVER AGENCY HAS THE LOWER
20 MARCH ESTIMATE FOR THE FISCAL YEAR.

21 (c) IF THE ESTIMATE OF GROSS GENERAL FUND REVENUE HAS
22 INCREASED ENOUGH TO TRIGGER THE TAX CREDIT, LEGISLATIVE COUNCIL
23 STAFF OR THE OFFICE OF STATE PLANNING AND BUDGETING, DEPENDING ON
24 PARAGRAPH (b) OF THIS SUBSECTION (3), SHALL CERTIFY SUCH FACT IN THE
25 APPLICABLE QUARTERLY ESTIMATE.

26 (5) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
27 THAT EXCEEDS THE RESIDENT INDIVIDUAL'S INCOME TAXES DUE IS
28 REFUNDED TO THE INDIVIDUAL.

29 (6) IN THE CASE OF A PART-YEAR RESIDENT, THE CREDIT ALLOWED
30 UNDER THIS SECTION IS APPORTIONED IN THE RATIO DETERMINED UNDER
31 SECTION 39-22-110 (1).

32 (7) THE CREDIT ALLOWED UNDER THIS SECTION IS NOT
33 CONSIDERED TO BE INCOME OR RESOURCES FOR THE PURPOSE OF
34 DETERMINING ELIGIBILITY FOR THE PAYMENT OF PUBLIC ASSISTANCE
35 BENEFITS AND MEDICAL ASSISTANCE BENEFITS AUTHORIZED UNDER STATE
36 LAW OR FOR A PAYMENT MADE UNDER ANY OTHER PUBLICLY FUNDED
37 PROGRAMS.

38 **SECTION 5.** In Colorado Revised Statutes, 39-22-627, add (9)
39 as follows:

40 **39-22-627. Temporary adjustment of rate of income tax -**
41 **refund of excess state revenues - authority of executive director.**

1 (9) IF, BY OPERATION OF SECTION 39-22-123 (6), EXCESS STATE REVENUES
2 ARE NO LONGER REFUNDED THROUGH AN EARNED INCOME TAX CREDIT,
3 THE TOTAL OF THE ADJUSTED AMOUNT SET FORTH IN SECTION 39-22-123
4 (4) (c) IS NOT ADDED TO THE ESTIMATED AMOUNT BY WHICH STATE
5 REVENUES WOULD BE DECREASED AS THE RESULT OF A REDUCTION IN THE
6 STATE INCOME TAX RATE FOR PURPOSES OF THE CALCULATIONS SET FORTH
7 IN PARAGRAPH (b) OF SUBSECTION (1) AND SUBSECTIONS (3) AND (6) OF
8 THIS SECTION.

9 **SECTION 6. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly (August
12 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a
13 referendum petition is filed pursuant to section 1 (3) of article V of the
14 state constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2014 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor."

** ** ** ** **